



Environmental Services Division
Energy and Waste Management Bureau

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GASOLINE PRICES EASE AS REFINERIES COME BACK ON LINE; WINTER FUEL PRICES PREDICTED TO BE HIGHER

DES MOINES — Refinery shutdowns and lost crude oil and natural gas production due to Hurricane Rita combined to drive energy prices higher in late September. By October 15, prices had retreated with regular gasoline blended with ethanol in Iowa selling for \$2.52 per gallon. This was \$0.20 lower than last month, and 24 percent higher than this time last year (\$1.92 per gallon).

The latest data shows that ethanol-blended gasoline represented 75 percent of all retail gasoline sold in September. All auto manufacturers warrant the E-10 blend of 10 percent alcohol and 90 percent gasoline for use.

The average price for regular gasoline in Iowa was \$2.56. This was \$0.20 lower than last month, and \$0.62 higher than this time last year (\$1.94 per gallon).

“Transportation fuel prices have begun to retreat as refineries are coming back on line and demand has decreased,” said Jennifer Moehlmann, energy data analyst for the DNR. “However, the hurricane season isn’t over yet and any additional damage to the oil infrastructure, or the threat of such damage, could send prices higher again.”

Diesel prices continue to rise, setting a new survey record on October 15 at \$3.13, up \$0.41 from last month, and \$1.01 higher than this time last year (\$2.12 per gallon). Diesel prices rose on concerns about potential supply shortfalls due to refinery shutdowns and increased demand due to the harvest.

Oil prices settled at \$63.09 on October 13, \$2.01 less than one month ago but still 15 percent higher than last year (\$54.77).

According to the DNR’s October 17 fuel price survey, the average retail price of propane was \$1.55 per gallon, \$0.10 higher than the previous month and 25 percent above the retail price of propane at this time last year (\$1.24 per gallon). The Energy Information Administration predicts propane expenditures this winter may rise 30 percent, compared to last year.

The price survey reported the average retail price of No. 2 heating oil was \$2.82 per gallon, \$0.49 higher than last month and 58 percent above last year’s price at this time (\$1.79 per gallon). The EIA predicts heating oil expenditures this winter may rise 33 percent, compared to last year.

On October 13, natural gas was trading at \$13.50/MMBtu, \$1.53 higher than last month and 148 percent above the price of natural gas at this time last year (\$5.45/MMBtu). The Iowa Utilities Board predicts residential natural gas bills this winter may rise 35 to 56 percent, depending on the weather.

With higher heating prices predicted this year, consumers should make improvements to their homes' efficiency to help lessen the blow. Simply caulking and weather-stripping to eliminate air leaks can save 10 percent on a typical home's energy bill. More tips for saving energy and money at home and on the road are available at www.EnergySavingTips.gov.

MOTOR FUELS SURVEY STATE AVERAGES

Self-Serve	September 15	October 15	Change
Regular Unleaded with Ethanol	2.72	2.52	-0.20
Regular Unleaded	2.76	2.56	-0.20
Premium Unleaded	2.81	2.50	-0.31
Diesel	2.72	3.13	+0.41

Source: Oil Price Information Service, www.opisnet.com

AVERAGE SELF-SERVE REGULAR WITH ETHANOL PRICES IN MAJOR CITIES

	September 15	October 15	Change
Ames	2.68	2.33	-0.35
Cedar Rapids	2.66	2.58	-0.08
Council Bluffs	2.55	2.31	-0.24
Davenport	2.84	2.60	-0.24
Des Moines	2.61	2.43	-0.18
Dubuque	2.65	2.52	-0.13
Fort Dodge	2.79	2.51	-0.28
Iowa City	2.75	2.60	-0.15
Sioux City	2.65	2.55	-0.10
Waterloo	2.73	2.48	-0.25
Webster City	2.87	2.60	-0.27
Average Metro Price	2.71	2.50	-0.21

Source: Oil Price Information Service, www.opisnet.com

WHOLESALE PRICES IN METROPOLITAN AREAS IN IOWA

Unleaded Gasoline	September 8	October 6	Change
Des Moines	2.44	2.22	-0.22
Dubuque	2.49	2.23	-0.26
Ethanol	September 8	October 6	Change
Chicago	2.71	2.54	-0.17
Diesel Fuel	September 8	October 6	Change
Des Moines	2.18	2.63	+0.45
Dubuque	2.20	2.65	+0.45

Source: Oil Price Information Service, www.opisnet.com

HEATING FUELS SURVEY

	September 15	October 17	Change
Propane	1.45	1.55	+0.10
#2 Heating Oil	2.33	2.82	+0.49

Sources: Wall Street Journal, Iowa Department of Natural Resources